

18/07/2008

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0204
Amendment to the calculation of WCF**

Please note that Modification Proposal No 0204 will be implemented with effect from 06:00 hours on 01/10/2008. The Final Modification Report, Version 3.0, was signed by Ofgem on 18/07/2008.

The new Code text resulting from this Modification follows:

Modified Text:

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT
SECTION H – DEMAND ESTIMATION AND DEMAND FORECASTING**

Paragraph 2.5 Weather Correction Factor and Scaling Factor

Amend paragraph 2.5.1 to read as follows:

“2.5.1 For the purposes of paragraph 2.2 the "Weather Correction Factor" ('WCF_t') and "Scaling Factor" ('SF_t') in respect of an LDZ are (respectively) the factors determined as follows:

$$SF_t = ASD_t / NDMD_t$$

$$WCF_t = (ASD_t - \Sigma((AQ_{EUC}/365)*ALP_t)_{LDZ}) / \Sigma((AQ_{EUC}/365)*ALP_t)_{LDZ}$$

ASD_t is:

- (a) for the purposes of Nomination Determination, Forecast LDZ Demand (at the relevant time of Nomination Determination) determined in accordance with paragraph 5.2 less the aggregate sum of DM Output Nominations (at the relevant time of Nomination Determination) at all DM Supply Point Components and relevant Connected System Exit Points in the LDZ and adjusted by deducting LDZ shrinkage;
- (b) for the purposes of Offtake Determination, that quantity comprised in the LDZ Daily Quantity Offtaken attributable to NDM Supply Point Components and relevant Connected System Exit Points (determined as the LDZ Daily Quantity Offtaken less the aggregate sum for quantities offtaken at all DM Supply Point Components and relevant Connected System Exit Points in the LDZ and adjusted by deducting LDZ shrinkage);

NDMD_t is the aggregate for all NDM Supply Point Components and for any relevant Connected System Exit Point in the LDZ of the amounts determined by calculating Supply Point Demand for Day t in accordance with paragraph 2.2 with a Scaling Factor equal to one or (as the case may be) calculated in accordance with the relevant provisions of the CSEP Network Exit Provisions.

AQEUC is the aggregate Annual Quantity for the Applicable End User Category as at 1st October, or as revised from time to time pursuant to paragraph 2.5.3.”

Add new paragraphs 2.5.2 and 2.5.3 to read as follows:

“2.5.2 In respect of each Gas Year, the Transporters will, on a specific date (the **“designated date”**), within:

- (a) the period of 3 calendar months ending on 31 December compare the aggregate NDM Annual Quantity for each LDZ (**“aggregate NDM LDZ AQ”**) with the aggregate NDM LDZ AQ as at 1 October; and
- (b) the period of 3 calendar months ending on 31 March and 30 June compare the aggregate NDM LDZ AQ with the aggregate NDM LDZ AQ as at:
 - (i) the previous designated date at which the comparison resulted in a revision being made pursuant to paragraph 2.5.3 (b); or
 - (ii) where the comparison at the previous designated date does not result in a revision being made pursuant to paragraph 2.5.3 (b), 1 October.

2.5.3 Where the comparison made in accordance with paragraph 2.5.2 determines that the aggregate NDM LDZ AQ has increased or decreased by an amount of more than 1%, the Transporters will:

- (a) on the first day of the month following the period in which such comparison was performed, publish the revised values that will apply in respect of $\Sigma((AQ_{EUC}/365)*ALP_t)$ for each LDZ;
- (b) apply such revised values from the date referred to in paragraph (a).

Yours sincerely,

Julian Majdanski
Modification Panel Secretary